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DIRECTORATE OF INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Dept. review completed

25X1

Top Secret

Information as 1600 13 January 1967

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HIGHLIGHTS

A reported move by Premier Ky to unseat Defense Minister and Deputy Premier Co appears to be causing some quiet opposition from southerners and possibly from Chief of State Thieu.

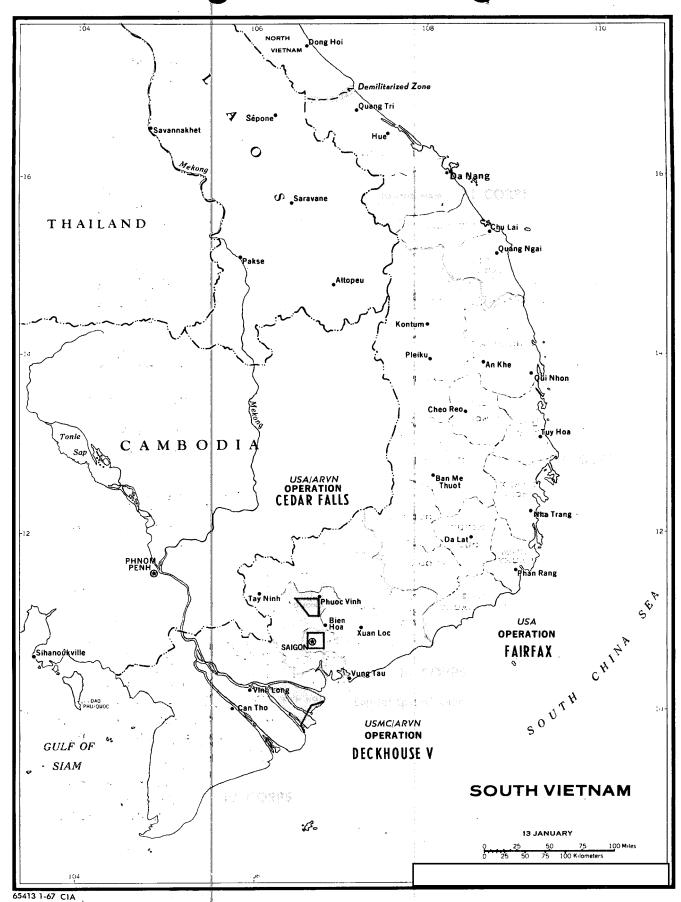
- I. The Military Situation in South Vietnam: US infantrymen continue to sweep the Iron Triangde area of Binh Duong Province in search of a Viet Cong base headquarters believed located there (Paras. 1-2). Sixteen Viet Cong were killed near Saigon by US forces participating in Operation FAIRFAX (Para. 3). Light contact was reported in the Mekong Delta province of Kien Hoa as US Marines continue to search for the evasive Viet Cong (Paras. 4-5). Several South Vietnamese units were attacked in Quang Nam Province on 13 January (Paras. 6-7). Three US Marines were killed when their outpost was overrun ten miles southwest of Da Nang (Para. 8).
- II. Political Developments in South Vietnam: Premier Ky's latest bid to unseat defense minister and deputy premier General Co appears to be provoking quiet opposition from southerners and possibly from Chief of State Thieu (Paras. 1-3).
- III. North Vietnamese Military Developments: There is nothing of significance to report.
- IV. Other Communist Military Developments: There is nothing of significance to report.
- V. Communist Political Developments: The former Swiss ambassador to Peking stated that on his December 1966 trip through Hanoi neither he nor the North Vietnamese made any mention of possible Swiss mediation in the war (Paras. 1-3).

25X1

13 January 1967

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25X1



I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. Units of the 23-battalion allied searchand-destroy Operation CEDAR FALLS sweeping the Iron
 Triangle area of Binh Duong Province north of Saigon
 continue to uncover Viet Cong bunkers and tunnels.
 A large base camp was seized on 12 January, but
 US forces are still searching for the main headquarters base from which the Communists reputedly
 have mounted guerrilla and terrorist attacks against
 Saigon and its surrounding area.
- 2. One US infantry company in the operation was hit by a command-detonated mine on 13 January and sustained casualties of one killed and 17 wounded. A cumulative count of casualties now shows 28 Americans killed and 119 wounded compared with 237 Viet Cong killed and 51 captured. There have been 274 Communist suspects detained.
- 3. US infantry soldiers participating in the coordinated US South Vietnamese search-and-destroy Operation FAIRFAX in the general area surrounding Saigon reported engaging an estimated platoon-size Communist force on 11 January. Two Americans and 16 Viet Cong were killed. Since this operation began on 30 November, 189 Viet Cong have been killed in contrast to American casualties of 13 killed and 83 wounded.
- 4. Light contact between Communist forces and US Marines of Operation DECKHOUSE V in southern Kien Hoa Province was reported on 12 January. The action began when a US Marine patrol was surrounded by Viet Cong employing heavy small-arms fire. Five Americans were wounded in a brief encounter; Viet Cong casualties are unknown.
- 5. Light contact was again reported on 13 January when three companies of US Marines reported separate engagements with enemy elements, but no additional friendly casualties have been reported. Cumulative casualties for this operation, which began

on 5 January, are seven Americans killed and 28 wounded, 15 Viet Cong killed and 13 captured. There have been 49 Communist suspects detained.

- 6. Early on 13 January, in an area of Quang Nam Province about 15 miles southeast of Da Nang, a Popular Force outpost was attacked with small arms and mortars by an unknown-size enemy force. A company-size reaction force responded to the attack. Friendly casualties were reported as 12 killed, six wounded, and two missing. Communist casualties are unknown.
- 7. An ARVN command post immediately to the west of the location of the above incident was later the target of an enemy mortar attack. The approximately 20 mortar shells fired at the installation resulted in two killed and eight wounded. Two of the mortar rounds landed outside the base perimeter, killing four South Vietnamese civilians and wounding many more.
- 8. In another area of Quang Nam Province, about ten miles southwest of Da Nang, a US Marine outpost was attacked and overrun by an estimated enemy squad. A two-platoon reaction force searched the area with no contact with the attacking force reported. Three Americans were killed and one wounded; enemy losses are unknown.

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. It appears that Premier Ky's bid to remove defense minister and deputy premier General Co is beginning to backfire. The US Embassy in an assessment of the situation, notes indications that Chief of State Thieu, who probably holds the balance of power in the Directorate on such military personnel matters, is supporting Co instead of Ky.

25X1

2. Ky may have let out a deliberate feeler concerning Co in order to assess his opposition, possibly in connection with his future presidential prospects.

25X1

In any event, it appears that there are strong signals from the Vietnamese military and from the southern civilians that this situation is not the same as that which pertained to General Quang, who was replaced as commander of IV Although the charges of alleged corruption are similar, Co, as the deputy prime minister, occupies a much more exalted position in the government and is the highest ranking southern general. There have been reports also that Co. is active behind the scenes among the southerners, who hope to gain power legally through the presidential elections. If so, he has the added advantage of some backing from prominent southern civilians, who are reportedly restive at present. The embassy warns that Co's removal might also present the militant Buddhists another opportunity to air their grievances against the government.

III. NORTH VIETNAMESE MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

V. COMMUNIST POLITICAL DEVELOPMENTS

- l. The former Swiss ambassador to Peking has provided the US Embassy in Belgrade an assessment of his week-long visit to North Vietnam last December while en route to his new post in Yugoslavia. According to the ambassador, his stopover in Hanoi was for the sole purpose of discussing bilateral matters pertaining to questions of trade and humanitarian aid. Neither the ambassador nor his Vietnamese hosts made any mention of possible Swiss mediation in the war.
- 2. While in Hanoi, the ambassador gained the impression that the North Vietnamese are currently looking for additional contacts in the non-Communist world in an effort to balance their dependence on the Communist states. He pointed to the two visits of the Swedish ambassador in Peking to the DRV as evidence of this effort.
- 3. These efforts, and others by Hanoi over the past year or so reflect North Vietnam's desire to win over neutral and non-Communist nations to its cause, rather than an attempt to lessen its dependence on the Communist states.